MEETING SUMMARY NOTES

Cost Savings and Efficiency Work Group

November 12, 2002
Lincoln Police Department Classroom A

MEMBERS: Present: Carol Brown, Patte Newman, Brian Carstens, Duane Eitel, Russ Bayer, Greg Wood, Mark Hunzeker, Jennifer Brinkman, Jerry Schleich, Rick Krueger, Roger Reynolds, Greg MacLean, Jon Carlson. Absent: Melinda Pearson

OTHERS: Kent Morgan, Steve Masters, Randy Wilson, Roger Figard, Nick McElvain

AGENDA ITEMS DISCUSSION:

1. Welcome - Russ Bayer, Work Group Chair & Committee Tri-chair

Russ Bayer opened the meeting welcoming those present and reminded the committee that at the previous meeting Steve Masters of the Public Works Department had given some introductory information about numbers and asked Steve to resume his report on the background about how the financing gap was determined for water and wastewater.

2. Meeting Summary Notes - November 5, 2002

Russ Bayer asked if there were any changes to the "Meeting Summary Notes" of the previous meeting and there were none.

3. Public Comment Period

Russ Bayer asked if there were any members of the public who would like to make any comments. There were none.

4. Infrastructure Financing Gap Continued - City PW&U

Russ Bayer asked Steve Masters to continue the discussion about the financing gap for infrastructure projects as they relate to the City's Capital Improvement Program.

Steve explained when addressing costs of infrastructure improvements, the City looked at revenues, at the 6-year budget needs and at the 6-year Capital Improvement Program (CIP). In all of these they attempted to take into account the time value of money–the cost differs

depending on the which year in the CIP the project was identified. He said that typically for CIP programs they include about a 5% per year adjustment for the time value of money.

He pointed out that his assignment this afternoon was to provide an explanation about how the CIP was developed and to try to give the committee background on the process. He cautioned that in talking about CIP, the figures are in 2002 dollars without any attempt to include any representation of the time value of money.

For both water and wastewater, Public Works is required by bond covenants to do a facility study on a 5-yr. interval. Using a slide demonstration, Steve presented information on the water facility study to provide some insight as to how Public Works uses that information to put in place a capital improvement plan each year.

He reported they are in the process of finalizing facility studies for wastewater and water, but no final plan is in place. Steve said they tried to coordinate the development of the CIP with the revised Comprehensive Plan. The water facility study has been ongoing for over two years and the wastewater study for about a year to a year-and-a-half. He said they are very close to completion and are working now to complete final edit.

Referring to the slide on display, Steve explained this shows what the maximum usage is, the projected maximum hourly usage, and what the average day demand is for the water system. He also noted that the charge shows the maximum daily usage.

Comparing the City of Lincoln with Des Moines for annual average rainfall, Steve reported it was about 35 inches and noted that there was a flatter curve on the maximum hourly and maximum average usage per day. He pointed out that Des Moines is able to put less money into storage and production than the City of Lincoln, and both averages are used by consultants in predicting what facilities are needed as the population increases. Steve noted it was interesting that in looking at the 2000 population of 226,000 for Lincoln and looking at the projected 1-1/2% growth to year 2025, the projected population is 327, 000, or about 100,000 more people in 25 years. In 2050 the population is projected to be 475,000 and these figures begin to have an impact on the type of facility to be designed.

Using the 25-year growth summary needs and using the Comp Plan, it is estimated that $48,000,000 will be needed for supply, $31,000,000 for treatment, $30,000,000 for getting water over the 25 miles to Lincoln and to some of the pipelines between various storage facilities. The internal major distribution pipelines are projected to cost $110,000,00 for distribution. The total 25-year cost would be $219,000,000. He pointed out they had not included the cost of regulatory requirements such as Homeland Security as required by federal law for which they have a consultant hired.

Steve reported that previously they allowed people to come and go in their buildings without any sign-in requirements, but now they do require this as well as visitor tags to comply with security oversight recommendations. In both systems, they anticipate there will be some capital

investment to further protect the City's facilities. There are also disinfection and disinfection by-products rules that they are dealing with that determines how they chlorinate.

Distribution system evaluations are becoming a requirement under federal law. There is Cryptosporidium monitoring (the microorganism that caused fatalities in Milwaukee some years ago) and the arsenic rule that also requires close monitoring to meet the revised, lower federal standards with proposals for even lower acceptable levels. These changes in federal standards represent millions of dollars of investment for the City of Lincoln, even though many of these changes are made in response to public sentiment rather than to science. Steve said they have tried to downplay the significance of the regulatory requirements as they develop the facilities study.

Talking about construction project costs Steve said they need to identify several ingredients involved in the cost which include some type of preliminary/concept design and once there is an actual project they do a detailed analysis that puts together plans and specs. Part of that is right of way (r.o.w.) acquisition and survey which are a significant cost and time commitment in projects. Then the department builds the project identified in the program, with all of these elements included in the CIP costs.

Mr. Hartman asked if there were r.o.w. costs if the land is given to the City and Steve indicated there would be no value added in the CIP to bring water to the property. For a local project where r.o.w. is dedicated that cost would be zero, but for a transmission main or a pumping facility where land might be needed to be acquired, the cost would include that expense. In some cases there would be very little cost as suggested by Mr. Hartman.

Referring to another slide, Steve pointed out sample costs for water mains at $5-7 per inch of diameter for a 6-inch pipe, depending on the difficulty of construction, staff would multiply 6 x $5 or $7 x number of feet of length, with costs varying by size of main required. The difficulty of construction contributes to the construction costs. Steve indicated the same kind of analysis is involved in wastewater facilities and reported that Public Works keeps records on the costs of each CIP program to make comparisons.

He reported that on the storage of water consultants indicate that $0.80/gallon is a good working number and, as an example, the 10,000,000 gallon reservoir under construction at 84th & Yankee Hill Rd., the contract with engineering was about $8,000,000. With the treatment plant addition and 25,000,000 gallons, we estimate a cost of about $16,000,000 to add on to the existing facility. There would be additional cost to go some other place to set up a 25,000,000 gallon water treatment plant. That's a ballpark number that is used when we look at adding capacity at the Ashland facility.

For example, Steve indicated that in talking about transmission that has been extended to Greenwood to bring water to the Northeast pump station, they look at the 6-year CIP which identifies that there is about $23,000,000 in the 6-year CIP to complete that project. Looking at the facilities study and at the cost to bringing that water to the Northeast plant, it's around

$19,000,000 dollars. The difference again is the time value of money. Once we complete that project, in order to recognize the benefit of all that capacity, we will need to bring that main from the Northeast facility to Vine St. which costs $11,000,000. Depending on where this is shown in the CIP, those dollars will have to be inflated to represent the cost that we predict that will occur. As we get further along in the program and we do a design there will probably be adjustments to those costs again.

Steve reported they start with a historical perspective and a reasonable analysis that is created through facilities study which involves a consulting firm with wide experience in the area.

Russ Bayer referred to Steve's comments at the previous meeting that they had $46,000,000 in the 6-yr CIP and asked which number he used, the $19,000,000 or $23,000,000? Steve indicated it was $23,000,000 in the 6-year CIP that they have been working from which shows there is a gap from a basis of time value of money. Russ asked if there would be a savings of $4,000,000 if the plant were built today and Nick McElvain explained the costs identified at time of design are increased annually by an inflation rate of 5%.

Rick Krueger asked about the sample component costs which shows a 6" main and a 16" main, indicating it has been his experience that typically the private sector pays for the first 6" on any project that runs in front of the project. He asked when the City shows $111,000,000 for distribution if that includes any interior work inside the subdivision or if they filtered out those private sector costs; are they gross numbers? Steve indicated it was broken out at either the 16" or 12" mains, but did not think there was anything smaller than 12" in those numbers. Nick McElvain agreed and reported that none of the 6" mains that go in front of a residential block are included in that price. He said that most of Public Works' distribution systems are in a grid with a goal of at least a16" line on every line.

Steve pointed out a 54" main in the current Public Works CIP program in the 4th, 5th, and 6th years of the CIP and they anticipate budgeting about $2,000,000 in 2005, 2006 for that project. Then they would begin the design and initiate whatever might be needed for r.o.w. acquisition, so in 2007 they anticipate the numbers which add up to almost $10,000,00, with the balance in 2007-08 for construction. Steve noted on that project that what the City has done is get the project ready for bid, acquired the r.o.w. but did not advertise for bids nor awarded the contract until the City has the full amount in that year in which the project is bid. So if there is a $23,000,000 project they don't actually get a contract involved most of the time until the year in the CIP where they have the project fully budgeted. He reported that one of the things they are starting with this fiscal year is to anticipate what the cash outlay would be for the project and bid it in the second year that we have funding, which requires Council approval, so we could actually begin the construction before we had all the dollars in hand to award the contract. He said it made good sense to cash flow along with the construction to be able to get more projects under way than what they have been able to do in the past. While not solving all problems, this approach is a step in the right direction.

He referred to the next slide, which he said demonstrated from the CIP what they have anticipated from revenue bonds and utility revenues, projecting to the best of their ability what revenues and expenses could be. He indicated these numbers could be adjusted annually.

Steve reported that Public Works is doing a similar analysis for wastewater. They are doing a facilities study and looking at what is needed for the two wastewater plants, what is necessary with the trunk sewer construction and said he did not think they had a pipe any smaller than 24" in their analysis of their trunk sewer needs for wastewater. The analysis included a certain growth in demand for the Northeast plant. He reported he thought they were showing that 75% of the growth would occur in the Theresa Street drainage basin and 25% assumed to occur in the Northeast treatment plant. About the eastern third would be represented by the Northeast treatment plant and the western two-thirds by Theresa Street plant. Looking at the projected expense for Theresa St. on an annual basis, the numbers look like those shown on the chart, adding again these are in 2002 dollars

Steve reported there were also regulatory requirements. Wastewater has been negotiating with the State on the bacteria limits for the two treatment plants since 1989. Each year the state and federal government have issued a permit and Public Works is preparing to be ready to proceed. In the last couple of years the State changed their site-specific criteria for the two treatment plants and indicated they will indeed issue permits in 2003. The next chart on display identified that the permit would be issued by 2003 with the City having 5 yrs to come into compliance This chart shows the City would phase in construction through two permit cycles so it would not be building an incredibly large facility and spending large amounts of money up front.

Steve reported they have tried to use the same approach for the Northeast facility. He displayed bar charts showing two different charts for wastewater collection system collection. The first showed growth as identified in the previous Comp Plan and Stevens Creek development extended out over the remaining 25 years.

When using this approach, they projected capital expenditures per year as shown in the chart with spikes in certain years as shown. When doing the CIP they attempt to factor in the Comp Plan. He said they need to factor in some time value for money and phase it in over time.

Randy Wilson added that the current improvements at both plants are major because there have not been any major improvements since 1980. He said the improvements being discussed now are partly related to growth but also related to regulations.

Steve pointed out that the total capacity of both plants is about 30,000,000 gallons per day, but if they need to remove ammonia, they have to keep the wastewater in the plant for a longer period of time and the plant capacity is reduced by half by doing this. This process has to be built into our facilities.

Jon Carlson asked about the expenditure spikes shown in the graph going down in the next years and Randy explained when trunks are built as shown in the CIP and treatment plants are

upgraded the system will be good for a certain amount of time. Then 25-30 years from now it will probably require another big spike in expenditures the graph. He added that trunk sewer expenditures have a life of 50-100 years. Jon asked to break that out to show what serves what needs currently exist and how much of that represents Stevens Creek. Steve said they can give the breakout on trunk line costs and the timing anticipated with this graph. Jon asked if the costs shown go up or down and Steve reported it would be flatter prior to improvements, noting that is part of the reason the committee is discussing this if it is desirable to accelerate the growth of the community. He said with the Salt Valley trunk, some of the construction improvements that had been identified to start have been postponed and now they are trying to get things brought up to date. Steve said they give the committee the breakout on the trunk lines.

Carol Brown asked about impact of regulations as they relate to the spikes in expenditures such as ammonia treatment and Steve responded that the treatment plant costs incorporate both ammonia removal and (unintelligible).

Mark Hunzeker noted that when using the words '6-yr CIP' to describe this discussion, this was not the adopted CIP. Steve said he was talking about the adopted CIP for 2002-2003. These numbers are in 2002 dollars as they exist in the facility study. Mark indicated it seemed they were talking about two different things: the adopted CIP and the 6-year CIP that creates the gap. Steve said they are the same thing. The 6-year CIP is adopted by the City Council and was used to create the evaluation of the gaps for water but noted he was not addressing streets.

Mark said he could not find projects in the adopted CIP he reviewed prior to the committee meeting and many of the projects that are listed aren't in that material. Steve said the figures on the graphs are right out of the CIP and offered to meet with Mark to go over them. He said they are used out of order from those shown in the adopted CIP to create the ranking.

Russ Bayer recalled from the previous meeting that they had been told that there were $46,000,000 of costs in the 6-yr CIP and noted that was pulled straight from the plan so anyone can find that same $46,000,000 in projects. Steve agreed. Russ asked if the $46,000,000 is included in the 25-year cost of growth summary? Steve explained that some costs are but there is more in the facility study because the current 6-yr CIP was based roughly on the old Comp Plan approved in '94. This analysis brings new areas into consideration and lays out a CIP that brings in new areas not shown in the CIP approved under the '94 comp plan. More is included in the facility study because it is trying to serve a larger area.

Nick McElvain said in the 6 yr. CIP there is $46-47,000,000 in water and approximately $32-35,000,000 of that is growth-related and the rest is maintenance of existing facilities. The 25-yr. cost is just growth related projects. All of the projects in the 6-year CIP related to growth are in the 25-year cost of growth summary.

Duane Hartman asked if the graph shown represented improvements to the treatment plants and new trunk sewers for new developments to which Steve agreed. Regarding the minimal expenditures shown in 2016, the discussion resulted in acknowledgment that there is not a lot of

maintenance costs after the new construction is on line–2003 to 2015-until some time later when another spike would occur. Steve pointed out that is why in the last 10 years the City has been enjoying the decreased costs.

Duane again asked about 2015-16-17 where less than $1,000,000/year is shown. When assuming growth of 1-1/2%/year will occur until 2010 would there not be any growth for 5-6 years, so building the new trunk lines is a minor portion of the expenditures. Steve explained the analysis on what is needed, they examinehow many acres are to be served and identify the size of pipeline needed to serve the area. After that is built, a major trunk line is not needed for a while as the basin fills up. Duane then asked if in 2008-9 all of the identified trunk lines would be built and Steve said that's the dream.

He referred to previous slides of charts showing averaging these costs out does not get the facility built early enough to serve the new area. The beauty of (unintelligible) these projects is that the City can build them ahead of need and future ratepayers help pay the cost

Randy Wilson said as an example the Salt Valley trunk sewer that was built in the early 60's and serves about 30-35% of the city now. He said they have put nothing into that trunk sewer since then although the area continued to grow and take on more wastewater. Now it is time to build a relief sewer and that bubble (spike in costs) we talked about indicates it's time to do needed improvements for the whole Salt Valley which will last for another 40 years.

Indicating he was almost through, Steve reported all of the numbers would be about $225,000,000 over the next 25 years, and again noting those are in 2002 dollars. He said factors influencing CIP budgeting include revenue timing, with input from Finance and Public Works Business Office as to how much can be put in the CIP program and when. He said weather plays a part because rain causes capital improvement costs to run higher because the project takes longer to build and engineering costs increase. Bidding on a cash flow basis as opposed to waiting until all funds are in place will allow a greater use of dollars.

He said regulations may influence CIP budget and it is important to postpone and phase construction so as not to be too far ahead of demand and Steve pointed out the availability of contractors is an important factor and equipment delivery time impact costs. In working with consultants, several evaluations of regional costs are used which include the engineering ENR index and they try to predict what costs are going to be and what our experience will be and these are adjusted annually. So if estimates are conservative and bids are better (lower) there is an opportunity to utilize those revenues for projects which, in turn, allows us to issue fewer revenue bonds or perhaps allow the construction of more projects.

Steve reported they go through about 4 years of engineering analysis for water and wastewater to come up with a list of projects and total and discuss what size of pipe can be built and other issues. He suggested that what really determines where the City grows and what it builds is the result of life changes: who gets tired of farming, who dies, who divorces, and who wants to

move to another part of the country. How we factor that into our process is part of the annual adjustment and is difficult to gauge.

Randy said in factors influencing the CIP, the Comp Plan is the major one because unless it is shown in the Comprehensive Plan, Public Works will not show it in the CIP. He indicated the Public Works needs a 5-6 yr. jump to implement a project in Stevens Creek or any new areas. When asked what he meant by a 5-year jump Randy explained it takes that long to implement a project from concept, final design, and bidding to construction. When asked if it takes 6 years to 'get going' in Stevens Creek or any of the new areas, Randy clarified some are more difficult than other areas that have been identified for growth, because of location in some basins is better situated than others and there may be infrastructure nearby.

Russ Bayer asked if the City built in a 5% annual growth in the CIP per year and asked the basis of that number. Steve reported it has historically been a good figure and when doing design, they adjust the cost of projects pending engineers' estimates. Someone asked if that is a reasonable number for growth and if they need to decide where they want to go with this and while not caring about the gap, he did care about the total expense because whatever this committee can do to decrease the total expense will also impact the gap. As a group they can decide whatever direction to go but at their previous meeting, they spent much time figuring out $700,000,000 was about the total of expenses for the next 6 years. If that's too high and with inflation being 1-1/2% a year for the past ten years then the additional 3-12% built into the CIP was a concern. As the progress of the committees continues and the numbers get bigger, he was afraid people would see a Christmas tree and add more projects because the CIP doesn't really include the new Comprehensive Plan and in May the numbers could change significantly because isn't Stevens Creek in the Comprehensive Plan but not in the current one. He felt the committee was shooting at a moving target and it needs to stop. Also, he was confused that in some numbers a 5% growth rate is used for the CIP and in others it isn't. He felt it was necessary to be consistent and was trying to find out what is needed for wastewater, street and water for the next 12 years and asked if they can get that number?

Jerry Schleich indicated he thought the 5% was the inflationary factor and 1-1/2% was the growth factor. Several agreed with this and Russ asked when has inflation been that high in the last 12 years. Jerry said over the past 20 years it's not unreasonable; it could have been above and below that, but on the average it is 5%.

Russ felt the problem was in developing an impact fee based on the gap that is a rough number of 5% and if using 3% would the impact fee have to lower. Others referred to the housing prices in the last several years, noting the numbers have jumped but Russ pointed out that was a finished price. Jerry reported that Lincoln is pretty stable and doesn't have great fluctuations like other
cities. Duane noted that the number being looked at for this discussion is the cost of the contractor and suggested that someone needs to look at how contractor prices have been increasing over the past 5 years.

Russ said if this committee is supposed to come up with a 12-year number, it ought to try to be consistent in coming up with that number. Rick Krueger reported when they figure cpi's, we call to Kansas City to get that information and it's generally a 2-3% rate, but if you figure 5% as a basic assumption for the next few years and go along on debt at this time, then we should get started as quick as we can. Rick asked how much the Public Works Dept. can get built in a given year, for example, for sewers. Referring to the $15-20,000,000 shown on the graph, he asked if they can get this done on an annual basis? Steve indicated that would be a real challenge.

Mark Hunzeker noted the City keeps records on these projects and suggested they make a check over the past 10 years of the unit cost of what some of these pipes were. Steve indicated a few phases are under design now and they have an estimate but Olsen's now has a detailed study showing costs much higher than had been forecast by Montgomery Watson. By looking at the treatment costs in the current 6 yr. CIP and compare those with the revised dollars that Caldwell has used for Theresa Street and Northeast, then they are higher than what had been forecast for the CIP in place right now. Steve didn't see those costs coming together and the opportunity to adjust if they are overinflated is after there is a design and as they prepare each year's new CIP numbers.

Mark said if you assume 5% because there is a tendency by the people doing the study to underestimate the cost, that's different than saying we are assuming 5% inflation which I understand.

Duane Hartman reported his experience in a few projects where he didn't own all the property and I indicated there are some requirements and other things involved with a city-bid job that he didn't require of his contractors. That results in a pretty big number. Jerry Schleich added that part of the difference is advertising and other requirements that cause the public bids to be higher. Duane reported conversations with some contractors indicated they bid higher for the city than for private developers and wanted to pursue this further. He wondered if this is where they can pick up a few percent on those expenditures. Jerry Schleich observed private developers do it quicker and pay quicker which is why contractors charge them less. It was also observed that the city retains 5% until the end of the project which affects the bidders.

Russ Bayer reported he wanted to be sure the committee can measure their results and felt they need to lock in as much as possible what 12 yrs is going to cost, He asked if somewhere in the next few weeks the committee will have a 12 year number for streets, water and waste water and Kent Morgan said that would be the case.

In response to Mark Hunzeker, Kent reported that staff is starting from the assumption that the cost of delivery of all the roads and water is needed all at the same time. By developing the infrastructure those areas open us. In response to Mark's questions about the cost of a complete build out including 5 lanes on arterials and all the transmissions around every section within the entire priority area, Kent explained that what's in the plan may not be 5-lane but may be 3 at the beginning. Mark asked how much land is involved and Kent estimated 18 sq. miles a year.

Roger Figard referred to the City's Transportation Plan which only applies to a portion but in the continuing comments, Kent pointed out that is not the same as a full build out. He went on to say it's important to make some distinction such as the necessary water and sewer. Mark said it would be unusual for the city to go beyond the city limits and put entire water mains around a section that has not been the subject of any discussion.

Kent reported that in 12 years every acre in that section could be served and that's what the committee has been asked to do by the finance group. He said a full build out is the extreme and what the City is doing is trying to get what developers asked for in the Comprehensive Plan. Mark said he never envisioned a situation when there would be 4-lane streets around every section and water and sewer in place and the area developed to full extent of its density. That's never been the way Lincoln has developed previously. In response, Kent said the committee needs to identify what assumptions we will be making.

Duane asked if the 12 year plan is for all that area to be annexed into the City and the response was only if someone comes forward to request annexation. Duane went on to say that between the time it gets annexed and full of houses, it would take 5-8 years to have all that funding in the budget before you need it and that didn't make sense.

Carol Brown noted they are trying to plan it before someone goes in for development so these improvements are there and not disrupt everybody's lives afterwards. Duane doubted the need for a 5-lane highway and Russ interrupted to point out the finance group is developing a 12-year projection and what has to come out of that are all the assumptions this committee needs to determine how many millions of dollars could be saved by either way.

Jerry Schleich offered that it would it be helpful to think in terms of 84th over in the Leighton and Adams area where all the infrastructure is in place. The internal infrastructure is not because no one has come along to say they want to develop that area. Until someone comes along and says they want to develop that area and go ahead with the internal infrastructure, it's at that point that it gets annexed.

Kent reported that the trunk line is needed down to that basin, and get it down there in a 12 yr time frame. The City is being pressured to get going and if this is the goal, this is what is needed for development. This is the worst case scenario and then the committee can work back as Russ suggested to see what costs could be saved. Russ reported he wanted to find the best way to do it and fund it.

Greg MacLean asked if the committee is looking at the r.o.w. acquisition and considering 2-lanes now? Kent said they are taking the 25 year plan and will superimpose Priority Area A on top of those facilities which will determine what we can build to. Some streets are 2 lane and others are larger. If you say you want to scale it back then you tell us.

Rick Krueger asked staff to come back next time with how much dollar volume can be done on an annual basis, not counting the internal subdivision work. Roger asked if he meant what the

community can bear or what we can physically get designed and Rick clarified what Public Works can get done: what is the department's capacity? Roger indicated that would limit the planning because Public Works capacity shouldn't limit what the committee envisions this should be. Rick said he wants a sense of what Public Works' capacity is, indicating it would make a difference to him

Greg Wood suggested the approach would be similar to the State Dept. of Roads expressway who had a big work peak during design so they went outside to get the work done. He asked if that's what you want identified: what can be done in house and what would have to be outsourced. Rick explained he didn't want to show a certain capacity if we can't get the work done because the contractors can't do the project. Roger Figard said it would be helpful for Public Works to know that as well.

Russ then asked the committee where it wants to go next. Kent Morgan handed out a work-in-progress ideas list and suggested that the group wait until we have the 12-year finance plan to discuss the list? Duane indicated that while he hasn't read the list yet he thought there could be some discussion on these things before having that final number because the projects aren't going to be changed by the final number.

Russ asked the group if that is a reasonable next step for next week? He said he thought the workshops can identify more ideas and asked if the committee wanted to meet next week. The group indicated they did and Russ asked them to go through the 19 work-in-progress ideas and add any additional notes that group comes up with. It was recommended that Russ should continue facilitating that process, with Kent acknowledging that the process is partly brainstorming, but added that categorizing the work might help.

Jerry Schleich indicated he would be out of town and would submit his notes by e-mail. Russ reported at the next week's meeting they would create this list and begin to put them into groupings. Kent asked whether the group wanted to carry some of them forward, identify those that may be questionable and send on to another committee and if so, then prioritizing or organizing of the list would be helpful.

Mark Hunzeker asked to get a better definition of what all the assumptions are and Kent said it's rather dynamic, but staff would try to pull together a 1-page summary by next week. Mark said it seems the same things are being discussed all the time and that summary might help. Kent suggested that the committee might think in terms of the Comprehensive Plan, noting that what's out there now is based on old Comp Plan. He said the new Plan has different assumptions that are much more ambitious. Duane asked if the list was based on old CIP and Kent said it was probably based on the old one. Duane asked if someone will identify what trunk sewers are proposed for the 12 yr. plan.

Kent Morgan responded that the Finance Committee is looking at those costs and Russ observed that if this committee can lower the cost and they come up with the money, then the gap is smaller. He went on to say the committee really wants those 12 year costs as soon as possible

and someone to discuss the assumptions with us. He asked if that information could be available by the following Tuesday and Kent reported staff will do their best to have that information by the week following next Tuesday's meeting.

Russ announced that by the following week the committee will have in front of them the 12 year costs and what the underlying assumptions are and then this committee can come up with how costs can be saved.

5. Potential Workshop Dates in 2003

Russ suggested that as the committee has extra time at future meetings they we can talk about the workshops and if there was no objection members could e-mail him or Kent if they were uncomfortable with that. He pointed out the workshops dates were as shown on agenda and asked members to take a look at them and try to lock them in by next Tuesday.

6. Other Business

There was no other business.

7. Adjournment

The meeting adjourned at 5:30 p.m.

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